



Business statistics.

The Overview.

- The proportion of businesses with a social media presence has reached the highest levels recorded.
- More than half the small (51%) and medium businesses (58%) have a social media presence while for large businesses the incidence is 85%.
- 12% of small businesses and 5% of medium businesses who don't have a social media presence say they intend obtaining one in the next year.
- The frequency of social media updates has decreased for small and large businesses and increased for medium businesses. Daily updates occur in 19% of small businesses, 41% of medium and 68% of large businesses.
- Last year 95% of large businesses were using social media platforms as a two-way communication channel but that has fallen to 76%. This compares with 51% of small firms (previously 58%) and 48% of medium firms (previously 41%).
- SMBs in the Cultural, Recreational and Personal Services sector have become the most likely to have a social media presence (79% vs 66% in 2017). This is followed by Retail Trade (67% vs 58%) and Hospitality (60% vs 70%).
- Having a strategic plan for social media and the annual expenditure allocated to it remain correlated with business size. Strategic plan incidences are 30% for small businesses, 45% for medium and 80% for large businesses.
- The most frustrating aspect of using social media nominated by all size businesses is thinking of new content and constant changes.
- Just over six in ten SMBs and large businesses believe their social media investment will contribute to higher sales in the next year.

Business use of social media.

- Facebook is used by around nine in ten SMBs and large businesses which is consistent with the 2017 results. Instagram has become the second most popular platform for small businesses - up 8 points to 27%. For medium businesses, LinkedIn is the second most popular platform (up 7 points to 48%) and for large businesses (down 9 points to 73%).
- Twitter has stronger appeal to large businesses (up 5 points to 60%) and medium businesses (up 9 points to 45%) than small businesses (down 10 points to 14%). Instagram's penetration increased with business size - small businesses (27%), medium businesses (39%) and large businesses (46%).

- When it comes to not having a social media presence in the next 12 months, a very small number nominated not seeing any benefit in it and social media taking too much time to maintain.
- Two of the main uses of social media for businesses are to provide a two-way communication system with clients or contacts and a customer feedback mechanism inviting comments, ratings and reviews. Around half or slightly more SMBs use social media in these ways.
- Inviting online comments, ratings and reviews decreased from 60% to 57% among small firms and from 92% to 76% for large firms. In medium businesses, this incidence was up one point from last year to 53%.
- Most SMBs and large businesses are still unlikely to offer incentives such as discounts and coupons via social media despite their appeal to consumers.
- Around six in ten SMBs and over eight in ten large businesses engage with people who provide feedback via social media.

Around the Country.

- Social media presence is highest among SMBs in WA (56%). The national incidence is 51% vs 47% in 2017.
- 53% of SMBs in New South Wales and Queensland have a social media presence. In Northern Territory social media presence is 50%, Tasmania (48%), ACT (47%), Victoria and South Australia (46%).
- Just over half (52%) of metropolitan SMBs have a social media presence - up from 47% last year.
- Just under half (49%) of regional SMBs have a social media presence - up from 46% in 2017.

Advertising on Social Media.

- Small (34%) and medium businesses (49%) are advertising on social media more than ever before. For large businesses there was a 10-point increase to 52% this year.
- SMBs spend a greater proportion of their marketing budget on social media (around 20% on average), for large businesses it's 10%.
- Almost half the social media spend goes to advertising, around a third to content services.
- Facebook is by far the most common social media advertising channel for all businesses, as in 2017. Around 9 in 10 have advertised on Facebook.
- Social media advertising has been seen as effective across all platforms used for the majority of businesses.



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Consumer preferences.

- Four in ten consumers (44%) are following businesses or brands via social media.
- Consumers are particularly keen on discounts (62%) and giveaways (51%) from the brands or businesses they follow.
- Among Instagram and Facebook users, 44% and 39% respectively follow brands or businesses on that platform.
- The most favoured category is entertainment for Facebook, just ahead of holidays/travel/accommodation. For Instagram users it is clothing/fashion then entertainment.
- Building brand trust means interacting positively with customers on social media, making your content content engaging and relevant, and regularly updating it, according to more than 50% of social media users.
- 18% of people stopped following at least one company or brand on social media in the three months prior to the survey, with irrelevant or unappealing content the most likely factor stopping people from following a brand or company on social media.

Who's responsible for a social media presence?

- In-house social media management is preferred over outsourcing across all business sizes. More than 90% of SMBs and large businesses manage their social media internally.
- Where outsourcing does happen, businesses are most likely to engage specialists in the digital/web/internet, social media or PR/communications space.
- Responsibility for social media accounts rests with 72% of small business owners or managers; marketing departments get that role in medium businesses (47%) and big business (73%).

Updating social media, driving traffic and measuring investment.

- Daily status updating is on the decrease for small and large firms this year, but more common in medium businesses. Most SMBs spread updates out over a week.
- Having a social strategy to drive people to sites matters more according to business size – small businesses (70%), medium (88%) and large (94%).
- Links on the company's website continue to be the most popular method for generating social media traffic for both SMBs and large businesses. This is followed by liking, following or subscribing to other users and businesses on social media, then by advertising their social media presence in traditional media.
- Among SMBs and large businesses with a budget for social media, the average spend increased this year. Average budget for small businesses was \$4,879 medium businesses \$14,387 and large \$24,538.
- 21% of small businesses measure their return on investment (ROI) on social media, consistent with the last two years. 32% of medium businesses and 35% of large businesses do so - an increase for the former and a marginal rise for the latter relative to 2017.
- Key ways for businesses of all sizes to measure ROI include: response numbers, asking customers and new sales. 43% of small businesses monitor the number of responses on social media. For medium businesses, this number is 48% and for large businesses this is 50%.
- Hootsuite, Mention or Keyhole are popular analytical tools used by medium and large businesses.
- Average estimates for ROI on social media are 24% for small and large businesses and 19% for medium-size businesses.



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A strategic plan for social media.

- Business size appears to determine the likelihood of having a strategic social media – with small business the least likely to have one. Strategic planning also fell for 10% of small and large businesses this year.
- An annual expenditure exceeding \$10,000 was reported by 7% of small business, 21% of medium businesses and 43% of large businesses.
- The number of likes, followers and subscribers and their sales, revenue and profits are seen as key measures of the success of a social media strategy for all businesses. For medium and large businesses, positive conversations on social media also matter.

The next 12 months.

- Expectations for social media expenditure in the next 12 months is up 18 points for small businesses, 30 points for medium businesses and 23 points for large firms.
- Few businesses intend spending less on social media in the year ahead.
- A greater spend on social media will not mean decreasing expenditure in other marketing or advertising activities for SMBs. But 63% of large businesses said extra social media expenditure would see cuts in other forms of marketing and advertising.

Businesses surveyed were involved in: manufacturing, building / construction, wholesale trade, retail trade, transport and storage, communication, property and business services, finance and insurance, health and community services, and cultural, recreational and personal services, plus accommodation, cafes and restaurants.

In addition to the business insights, don't forget you can find more consumer insights from the 2018 Yellow Social Media Report at Yellow.com.au